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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
SOUTHLAKE AVIATION, LLC, § CASE NO. 11-32035-bjh
§ (Chapter 11)
DEBTOR §

DEBTOR'S EXPEDITED MOTION TO DISMISS CASE

Notice

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN TWENTY-FOUR (24) DAYS FROM THE DATE OF SERVICE, OR MAY 6, 2011, UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

TO THE HONORABLE BARBARA J. HOUSER, CHIEF U.S. BANKRUPTCY JUDGE:

Southlake Aviation, LLC, debtor and debtor-in-possession in the above-referenced case (“Debtor”) files its Expedited Motion to Dismiss Case (“Motion”) as follows:

Jurisdiction

1. This Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

Background

2. On March 30, 2011 (the “Petition Date”), the Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code.

3. No trustee or examiner has been appointed, and no official committee of creditors or equity interest holders has been established.

4. The Debtor is a Texas limited liability company that owns certain aircraft, most notably a Gulfstream Aerospace Gulfstream V (the “G-V”). The purchase of the G-V was financed through loans with VFS Financing, Inc. (“VFS”).

5. The G-V was leased to an unrelated third party, CAMAC Aviation, LLC, subleased to CAMAC International Corporation, and operated by Arcadia Aviation WEY, LLC, all with the knowledge and consent of VFS.

6. On or about February 4, 2011, the G-V was seized by authorities in the Democratic Republic of Congo and subsequently released on or about March 30, 2011 and flown to Savannah, Georgia.

7. This case was filed on March 30, 2011, prior to the G-V landing in Savannah to secure the G-V, keep it safe, and preserve the status quo such that the Debtor could determine its best course of action.

Relief Requested

8. Pursuant to 11 U.S.C. § 1112(b), the Debtor seeks an order of this Court dismissing the Debtor’s case for cause. The Debtor has determined that the G-V is indeed

secured in Savannah and that no reorganization is necessary. Additionally, the Debtor believes it can reach an agreement with VFS regarding the G-V outside of bankruptcy.

9. Substantially concurrently hereto, VFS is filing an unopposed motion to lift the automatic stay to gain control of the G-V and the Debtor is filing its request for an expedited hearing on the relief requested herein.

10. Upon information and belief, the G-V is not cross-collateralized as against the other estate assets, which were not in default at the time of the filing of the petition for relief. On April 11, 2011, Regions Equipment Finance Corporation (REFCO) sent the guarantors of its obligations (but not the Debtor) a notice of non-monetary default.

11. Accordingly, dismissing Debtor's case is in the best interest of its creditors.

12. Debtor has consulted with the United States Trustee, VFS, and the single unsecured creditor, Winstead, P.C. None are opposed to this Motion. REFCO's position regarding the relief herein is not known.

13. Accordingly, the Debtor requests that its case be dismissed.

14. Debtor intends to pay any outstanding quarterly fees due the Office of the United States Trustee.

WHEREFORE, PREMISES CONSIDERED, the Debtor respectfully requests that the Court dismiss this case and that Debtor be granted such other and further relief as the Court deems just and proper.

Respectfully submitted,

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By: /s/ Linda S. LaRue
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PROPOSED ATTORNEYS FOR DEBTOR

CERTIFICATE OF CONFERENCE

I hereby certify that I discussed the Motion herein with Mary Frances Durham of the United States Trustee's Office on April 5, 2011 and she is not opposed to the relief requested. I also discussed the motion with Chris Schwegmann, counsel for VFS, on April 5, 2011 and again on April 11 and 12, 2011 and exchanged email with Richard Tannenbaum, in house counsel for VFS, on April 12, 2011 and VFS is not opposed, subject to no additional facts arising that would cause VFS to change their position. I left a message on April 12, 2011 for Kenneth C. Johnson, counsel for REFCO, but did not hear back from him prior to filing this Motion. I spoke with John Reenan of Winstead, P.C. on April 5, 2011 and Winstead does not oppose the motion.

/s/ Linda S. LaRue

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument was served by electronic transmission via the CM/ECF system upon all parties registered to receive electronic notice in this bankruptcy case on this 12th day of April, 2011, and/or via U.S. first class mail, upon the parties listed on the attached service list. *The service list is omitted from service copies to avoid unnecessary copying and postage charges.*

/s/ Linda S. LaRue